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March 31, 2003

Peter O'Connor, Esq.  
Fair Share Housing Center  
510 Park Boulevard  
Cherry Hill, New Jersey 08002

Re: Newark Coalition for Low Income Housing v. Housing Authority of the City of Newark v. Fair Share Housing Center, Camden County Branch of the NAACP, Southern Burlington County Branch of the NAACP, and Camden City Taxpayers Association, Civil Action No. 89-1303

Dear Mr. O'Connor:

I am in receipt of your fax of March 30 and apologize for the confusion.

**1. Issue**

The descriptive page outlines three sites for a total of 954 units (West Kinney Gardens 206, St. James Estates-230, and the former Stella Wright Homes site 518) is that description correct and, if so, how does that compare to the two-page chart setting for the four different types of housing?

**Response**

The two development teams were to develop 518 and 237 units respectively for a total of 755 units. When the Authority began to plan the individual neighborhoods it discovered that only 230 units fit comfortably on the former Hill Manor site (St. James Estates) and 208 units on the Hayes Homes site (West Kinney Gardens), for a total of 438 units on those two sites leaving a balance of 319 units to be built in the third neighborhood or the former Stella Wright Homes site.

**2. Issue**

The two-page chart lists 676 units, which includes 518 at Stella Wright and Hayes Homes and 158 at St. James Estates. The descriptive page states that there will be 230 units at St. James. Which is correct?

**Response**

The chart shows a total of 676 rental and for-sale units, 518 to be constructed on the Stella Wright and Hayes Homes sites and 158 rental units to be constructed on the former Hill Manor site. It does not show the 72 homeownership units to be constructed on the Hill Manor site nor the additional 7 units referenced above that are needed to be constructed on the Stella Wright Homes site. Thus, the former Hill Manor site will consist of 158 rental and 72 homeownership units for a total of 230 units.

**3. Issue**

The two-page chart also appears to be inconsistent with the tax credit plans. The two-page chart also seems inconsistent with the NHA's tax credit plans. The chart indicates that there are plans for 256 tax credit units, which would include 189 at Stella Wright and 57 at St. James Estates. At the court conference, however, you told us that the tax credit units totaled 300-400 that would be built in three phases in 2002, 2003, and 2004. Please clarify in detail the three-year tax credit plan.

**Response**

As you know the HOPE VI process is a very fluid process. Since the Authority is in the process of trying to achieve financial feasibility of the various components as a result of some of the funding sources not materializing in the amounts originally anticipated, the development teams have provided me with a list of the maximum number of rental units that would be in the three neighborhoods.

Accordingly, the charts show a total of 560 of the 755 units of housing as rental units and potential candidates for federal low-income housing tax credit units. This includes both ACC and non-ACC units. The Authority is working with the development teams to ratchet these numbers back to a maximum number of 391 rental units. The balance of the 755 units, 284 units would be set aside for homeownership and 80 as market rate rental units.

Of the 391 rental units, 304 are ACC units would be funded in part by the federal low-income housing tax credit and HOPE VI. In accordance with the HOPE VI application the Authority hopes to achieve at least 80 true market rate units. If we are to achieve financial feasibility in accordance with the HOPE VI application, the two development teams would seek tax credits for 384 rental units.

**4. Issue**

There appears to be an overlap between the ACC units and tax credit units on the two-page chart. Is that the case?

**Response**

The Authority is seeking tax credits to support the ACC units.

**5. Issue**

What is the funding source for the ACC units? Which units qualify as the one-for-one replacement units for Stella Wright Homes?

**Response**

These two questions are most difficult to respond to since the Authority must look at the funding for the project as a whole. The only consideration that must be taken with regard to the ACC units is that the residents of these units are to be charged for the costs of operations only. Be advised that the Stella Wright Homes HOPE VI Grant is a revitalization grant and not a "one-for-one" grant. The Authority received in excess of 500 Section 8 housing vouchers and is providing 304 ACC rental units and hopes to make approximately 90 for-sale homes available to persons with Section 8 vouchers.

Sincerely  
*Karen McLane Torian*

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